GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

STARRED QUESTION NO:63
ANSWERED ON:27.02.2015
FOREIGN COMPANIES
Singh Shri Lallu

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) the number of foreign companies registered during each of the last three years and the current year and the revenue earned therefrom, Sector and State/UT-wise;

(b) the number of such companies set up with foreign capital and those set up with domestically generated capital separately, company/ Sector-wise;

(c) whether guidelines have been issued by the Government in connection with registration of foreign companies periodically and if so, the details thereof;

(d) whether certain foreign companies/ entities are conducting online activities without getting themselves registered; and

(e) if so, the details thereof and the action taken by the Government to safeguard the interest of Indian consumers and investors?

Answer

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY)

(a) to (e) A Statement is laid on the Table of the House.

Statement referred to in Answer to Lok Sabha Starred Question No. 63 for 27th February, 2015 on 'Foreign Companies'

(a) The number of foreign companies, as defined under section 591(1) of the Companies Act, 1956 (up to 31st March, 2014) and section 2(42) of the Companies Act, 2013 (with effect from 1st April, 2014), registered during each of the last three years and the current year, State/UT-wise, and Sector-wise is given in Annexure − 1 and Annexure − 2 respectively. The revenue earned from the foreign companies registered during each of the last three years and the current year, is given in Annexure − 3.

(b) Information on source of funding (foreign or domestic) for setting up of foreign companies is not centrally maintained.

(c) Foreign Companies are required to comply with the provisions of Chapter XXII (sections 379-393) of the Companies Act, 2013. The Companies (Registration of Foreign Companies) Rules, 2014, notified on 31st March, 2014, under the provisions of Chapter XXII, provide for the manner of registration of foreign companies in India under the Act.

These rules came into force from 1st April, 2014. Prior to the commencement of these provisions under the Companies Act, 2013, the corresponding provisions of the Companies Act, 1956 and Rules made thereunder were applicable.

(d) and (e) The case of only one entity conducting online activities without getting registered under the Companies Act, namely, Speak Asia, which came to the notice of this Ministry, was referred to the Serious Fraud Investigation Office (SFIO). The investigation report of SFIO has been received.

Provisions in respect of inspection, inquiry and investigation under sections 206 to 229 of the Companies Act, 2013 are applicable to foreign companies for their business conducted in India.